

BUSINESS SERVICES

MIDDLE MARKET INDICATOR

Year-End 2024



IN COLLABORATION WITH









Revenue

Nearly nine out of 10 business services companies grew revenues in 2024. At 12.8%, the robust average rate of year-over-year revenue growth in the business services sector continues to outpace the growth rate for the overall middle market.



year-over-year revenue growth

4Q'21 4Q'22 4Q'23 4Q'24 PROJECTED

83 81 89 80

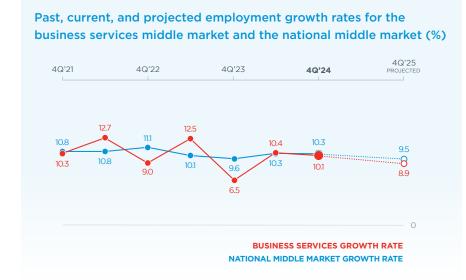
% of business services middle market

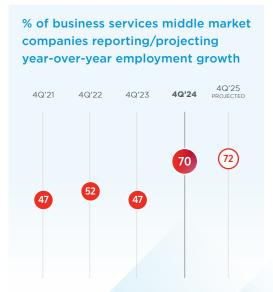
BUSINESS SERVICES GROWTH RATE NATIONAL MIDDLE MARKET GROWTH RATE



Employment

The business services sector year-over-year employment growth rate remains strong at 10.1%. Seven out of 10 companies grew the size of the workforce in 2024; a similar proportion expect employment growth to continue into 2025.





Self-Reported Progress in New Technology Adoption (such as AI)

Business services companies appear to be leading the way in the technology adoption journey; nearly a quarter of companies say technologies such as AI are already embedded into the business.

| | ALL MIDDLE MARKET COMPANIES | BUSINESS SERVICES | MANUFACTURING | RETAIL TRADE | CONSTRUCTION | FINANCIAL SERVICES | HEALTHCARE | TECHNOLOGY* |
|--|-----------------------------------|----------------------|---------------|-----------------|--------------|-----------------------|------------|-------------|
| LEARNING/DISCOVERY | 23% | 14% | 15% | 18% | 29% | 20% | 31% | 13% |
| EXPLORING/TRYING IT OUT | 35% | 38% | 36% | 29% | 37% | 35% | 36% | 36% |
| ACTIVELY TESTING/USING FOR BUSINESS NEEDS | 29% | 26% | 36% | 38% | 18% | 35% | 25% | 32% |
| ALREADY USING AND EMBEDDED INTO BUSINESS | 13% | 22% | 13% | 15% | 16% | 10% | 8% | 19% |

^{*}Includes companies also represented in other industries, e.g., computer manufacturers, IT services, healthtech, fintech.

Business Services' Middle Market Defined

*10 MM-*1B

REPRESENTS

OF ALL BUSINESS
SERVICES COMPANIES

MORE THAN
10,600
BUSINESSES

EMPLOYS
22.6%
OF THE BUSINESS
SERVICES WORKFORCE



Source: 2014 D&B Data

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